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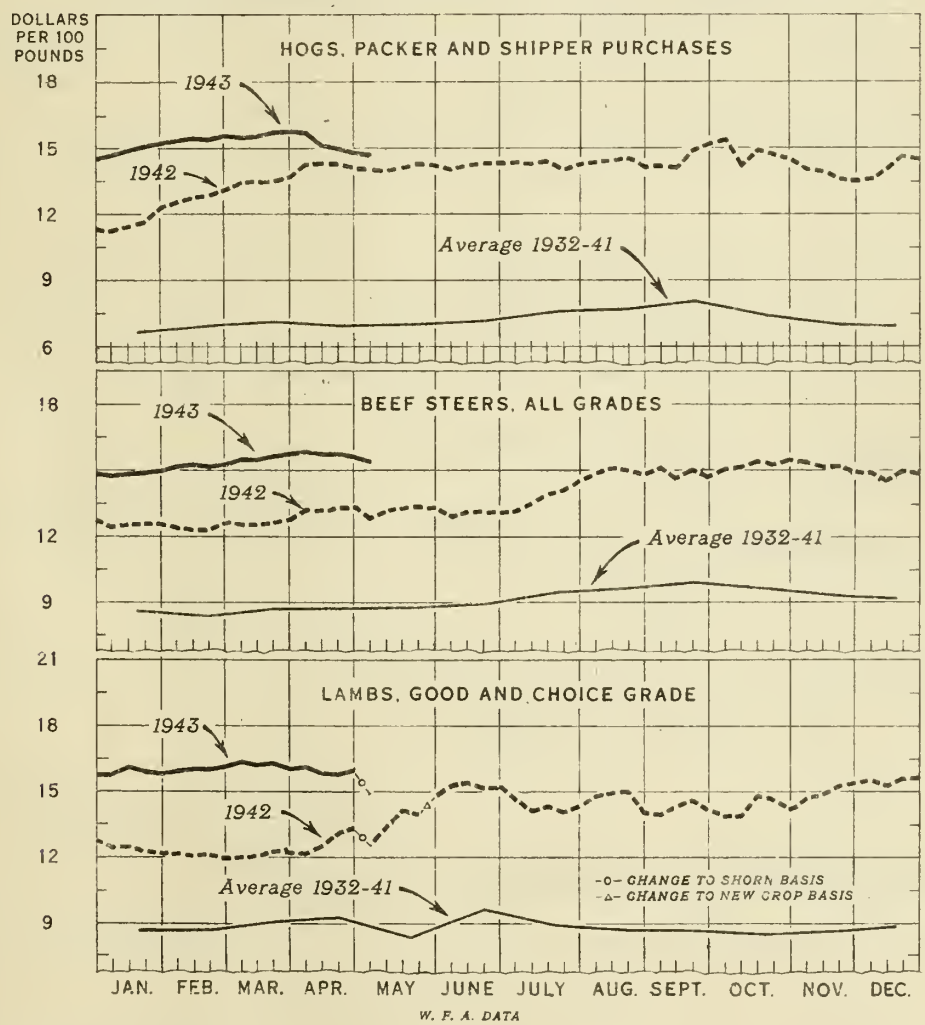
THE Livestock and Wool SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

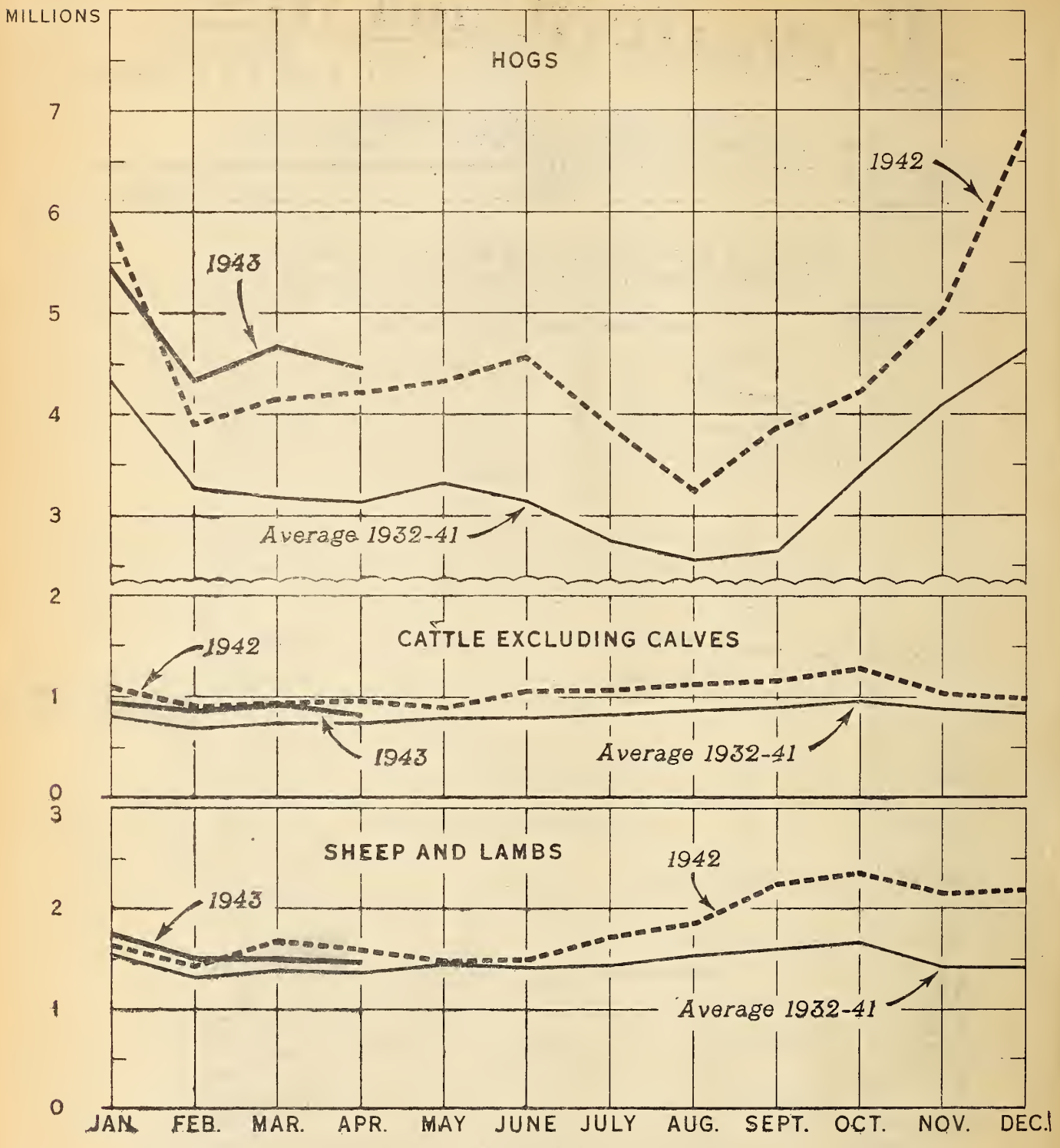
LWS-13 BAE MAY 1943

PRICES OF SLAUGHTER LIVESTOCK AT CHICAGO, 1942-43 COMPARED WITH 1932-41 AVERAGE



Although farm prices for live animals continued to advance after the establishment of ceiling prices for most meat products early last year, a price rise of inflationary proportions apparently has been prevented. Such increases as have taken place have been partly at the expense of slaughterers' processing margins. Livestock prices have declined somewhat since early April - following the War Food Administration announcement that a downward adjustment in live animal prices was necessary to bring about a more nearly normal relationship to wholesale meat prices. Because of the strong wartime demand for meats, livestock prices probably will continue somewhat above the level of early 1942 throughout the rest of 1943.

INSPECTED SLAUGHTER OF LIVESTOCK, 1942-43 COMPARED WITH 1932-41 AVERAGE



B. A. I. DATA

U. S. DEPARTMENT OF AGRICULTURE

FIGURE 1

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Livestock slaughter in federally inspected plants in the first 4 months of 1943 has been smaller than seemed likely last fall. Nevertheless, inspected slaughter has been quite large for all livestock except calves, in which case the diversion to noninspected slaughterers appears to have been rather large. In the 4 months January-April, inspected slaughter exceeded the 1932-41 average for this period by 11 percent for sheep and lambs, 19 percent for cattle and 36 percent for hogs. Inspected calf slaughter, however, was 19 percent smaller than the 10-year average.

THE LIVESTOCK AND WOOL SITUATION

Summary

Establishment of a War Meat Board to facilitate the handling of the Nation's meat supply was announced May 17. Composed of nine members, representing the War Food Administration, the armed forces, lend-lease, the Office of Price Administration, and specialized branches of the meat industry, the Board will assist in dealing with the numerous and complicated meat supply problems caused by the war. While the quarterly and yearly requirements for meat by the armed forces, civilians, and lend-lease will continue to be determined by allocation authorities in Washington, the War Meat Board in Chicago will implement week-by-week the general allocation and distribution of the national meat supply among the three claimant groups, taking into account the total quantity of meat available each week.

Although above-ceiling prices have prevailed to some extent in some markets, the general level of wholesale meat prices has been held to about a constant level since price controls were inaugurated a year ago. Advances in live animal prices since last spring have been partly at the expense of slaughterers' processing margins. The recent declines in prices of hogs and cattle will help relieve this abnormal situation. As long as total requirements for meats continue to exceed supplies, no pronounced decline in live animal prices is expected.

Reflecting the recent advance in corn prices, allowed by amendment of the price ceilings on corn, and the downward trend in hog prices, the hog-corn price ratio has declined in recent weeks. Although still above

the long-time average, the ratio is now much less favorable for expanding hog production than it was a year ago.

Weather and feed conditions were mostly favorable during April for the development of the early lamb crop. As a result, early lambs made good gains in areas where their development in earlier months had been about normal, and made some recovery in areas where weather and feed conditions had been poor. Eastern shipments of early lambs from California were small in April, but slaughter within the State was larger than last year as a result of adjustment in mutton and lamb quotas of California packers. Supplies of new-crop lambs for Midwestern and Eastern markets are expected to continue relatively small during May and early June. Prospects for the late lamb crop, however, are mostly favorable.

April weather conditions were favorable for new feed growth in most of the Western Range States, except in dry sections of the Southwest. Feed conditions improved considerably in Idaho, Oregon, and Washington. Calf crop prospects are reported to be good except in limited areas.

Domestic wool prices at Boston remained generally constant during the past month. Quoted prices on most wools are close to the ceiling prices to be charged by the Commodity Credit Corporation on Government sales, and it is not likely that much wool will be available below this level for the next year or 2 at least. The average price received by farmers for wool on April 15 was 41.2 cents a pound, the highest since March 1925. World wool production has increased during the war years. Declines in production in Europe and Asia appear to have been more than offset by increased production in other areas. Most of the world's production is controlled at present by the United Nations.

-- May 18, 1943

REVIEW OF RECENT DEVELOPMENTS

Hog Prices Declined in April and Early May

Hog prices declined approximately $1.25 from early April through mid-May, following the announcement by the War Food Administration that a downward adjustment in live animal prices was necessary to bring them into a more nearly normal relationship to wholesale prices for pork and lard, now under ceilings. The average price for butcher hogs at Chicago for the week ended May 15 was $14.45, compared with $15.75 in early April and $14.00 in mid-May of 1942. The recent price decline was about the same for packing sows, as well as barrows and gilts. The spread between prices for these two classes of slaughter hogs currently is 15 to 20 cents, about the normal spread for this time of year.

Inspected Hog Slaughter Set New Record in April

Hog marketings declined less than the usual seasonal amount during April, and the number of hogs slaughtered under Federal inspection for the month totaled nearly 4.5 million head, 4 percent less than in March but 6 percent more than in April last year. It was the largest inspected slaughter on record for the month. Inspected slaughter for the 7 months October-April (the marketing season for the 1942 spring pig crop) totaled 34.9 million head. This was nearly 2.4 million head, about 7 percent, more than in the corresponding period a year earlier and was just slightly smaller than the previous record slaughter of 35.1 million head for the 7-month period in 1923-24.

The reasons for the failure of inspected hog slaughter to reflect the full 24 percent increase in the 1942 spring pig crop are not clear at this time. However, the diversion of live animals to noninspected slaughterers appears to have been a factor of considerable importance. How the holding back of young sows for increased breeding may have reduced slaughter supplies will be indicated by returns from the June pig survey, to be made within a few weeks. The market movement of the 1942 spring crop was delayed, thereby resulting in a considerable number of spring pigs being marketed after May 1. This is borne out by the recent increase in market receipts of relatively heavy hogs. The average live weight of butcher hogs at seven important Corn Belt markets in early May was 253 pounds, 16 pounds heavier than a year earlier and nearly 20 pounds heavier than the 1936-42 average weight for the month.

April Storage Stocks of Pork Reduced; Lard Increased

Storage stocks of pork were reduced somewhat more than the usual seasonal amount during April. The net out-of-storage movement for the month amounted to about 70 million pounds, reducing stocks on May 1 to 522 million pounds. This was about 50 million pounds less than a year earlier and 115 million pounds below the 1931-40 May 1 average.

The net in-movement of lard, on the other hand, was a little greater than average, in contrast to the sharp contraseasonal decrease in stocks

during April last year. Stocks of lard, including rendered pork fat, on May 1 totaled 148 million pounds, about 20 million pounds more than a year earlier but about the same as the 1931-40 May 1 average.

Cattle Prices Declined During April

Cattle prices declined about 50 cents per 100 pounds on the average during April and early May. The average price of Good grade slaughter steers at Chicago was $15.50 for the week ended May 15, compared with $16.10 for the first week in April and $13.65 the corresponding week a year earlier. The price decline appears to have been a little more pronounced for the upper grades of slaughter steers than for other cattle.

Demand for feeder cattle continued relatively strong during April and early May, despite the downward trend in prices of fat cattle. Purchases of feeder steers at four main markets in April were about as large as a year earlier, while prices in mid-May were down only about 30 cents from the early April peak. The average cost of feeder steers at Kansas City was $14.55 for the week ended May 15, compared with $14.85 5 weeks earlier and $11.85 in the corresponding week last year.

Cattle Slaughter Reduced in April but Marketings Increased in Early May

The number of cattle slaughtered under Federal inspection during April totaled 796,000 head, 14 percent less than in March and 17 percent less than in April last year. The April decline may have reflected to a certain extent some diversion of live cattle away from federally inspected plants following the issuance of temporary increases in the quotas of local slaughterers.

Although inspected cattle slaughter in the 4 months January-April 1943 totaled 9 percent less than in the corresponding period a year earlier and was smaller than appeared likely last fall, the number was 19 percent greater than the 1932-41 average for this period, and except for 1942 was the largest January-April total on record. Average live weights of cattle have been relatively heavy this spring, despite reports that cattle feeders have tended to market their cattle earlier than originally planned. The average live weight of all cattle slaughtered under Federal inspection during March was 980 pounds, 10 pounds heavier than a year earlier and about 40 pounds heavier than the average for the preceding 10 years.

The effect of black market operations upon the volume of inspected slaughter appears to have been more pronounced for calves than for other slaughter livestock. Inspected calf slaughter during April totaled 365,000 head, 27 percent under a year earlier and the smallest April slaughter since 1922. The total for the 4 months, January-April, was 21 percent less than a year earlier and 19 percent less than the 1932-41 average for the period.

Lamb Prices Steady to Slightly Lower in Early May

Lamb prices have fluctuated moderately during the past 6 weeks, with Good and Choice grade wooled lambs at Chicago averaging around $15.75 per

100 pounds, about 50 cents less than in mid-March but about $2.00 above early May 1942. Last year lamb prices advanced sharply during April and May. The Office of Price Administration price ceilings for lambs provide no seasonal premium for early spring lambs, and prices for this class of slaughter lambs currently do not differ greatly from prices of fed, wooled lambs from the 1942 crop.

Very few early spring lambs had reached Midwestern and Eastern markets by mid-May, due to the increase allowed in civilian lamb and mutton deliveries on the West Coast and to some reported tendency to hold early lambs for heavier weights. Inspected slaughter of sheep and lambs in April totaled close to 1.5 million head, 7 percent less than in April last year. The total for the 4 months, January-April, was 1 percent less than a year earlier but 11 percent greater than the 1932-41 average for the period.

USDA Purchases of Meat and Lard,
First Quarter 1942-43

Purchases of pork by the Department of Agriculture (chiefly for lend-lease deliveries) in the first quarter of 1943 totaled roughly 550 million pounds, dressed weight basis, compared with 320 million pounds in the corresponding period last year. Purchases in the first quarter this year were equivalent to roughly 25 percent of the pork produced under Federal inspection during the period, as against about 17 percent in January-March 1942. Lard purchases were 15 percent smaller for the first 3 months this year than last and represented about 27 percent of the federally inspected production compared with a little over 30 percent last year.

Table 1.- Department of Agriculture purchases of meat products, January-March, 1941-43

Commodity	1941	1942	1943
	Mil. lb.	Mil. lb.	Mil. lb.
Pork:			
Cured	---	62.7	151.3
Fresh and frozen	---	6.1	65.6
Canned	---	174.5	232.7
Beef, fresh and cured	---	.1	4.7
Veal	---	---	2.8
Lamb and mutton	---	---	30.3
Sausage	---	---	1.1
Lard	37.5	146.5	123.7
Tallow and suet	---	.8	4.8

Federally Inspected Meat Production Up 5 Percent in First Quarter of 1943

Production of meat under Federal inspection in the first quarter of this year was 5 percent larger than in the corresponding quarter of 1942 and 38 percent more than the 10-year 1932-41 average for the period. As shown in table 2, the increase over last year was accounted for entirely by pork -- production of beef, veal, lamb, and mutton being smaller than in 1942.

The number of hogs slaughtered under Federal inspection during January-March was only 4 percent greater than a year earlier, but average live weights have been exceptionally heavy this year, and this together with larger pork yields per 100 pounds (chiefly at the expense of lard) accounts for the greater increase in pork production than in hogs slaughtered.

Pork and lard yields per hog tend to vary inversely, reflecting changes in the amount of fat left on the lean cuts and variations in the proportion of the heavy fat cuts (fatbacks, etc.) rendered for lard. Recently both of these factors appear to have contributed to increased pork yields at the expense of lard. This is indicated by the 3 percent smaller production of lard as contrasted with the 16 percent increase in pork production this year over last.

Table 2.- Meat and lard production under Federal inspection, January-March 1942-43 and average 1932-41

Commodity	1943	1942	Average 1932-41	1943 as percentage of 1942	1943 as percentage of Average 1932-41
	Mil. lb.	Mil. lb.	Mil. lb.	Pct.	Pct.
Beef	1,441	1,527	1,123	94	128
Veal	106	137	130	77	82
Lamb and mutton	199	204	174	98	114
Pork	2,135	1,840	1,389	116	154
All meat	3,881	3,708	2,816	105	138
Lard and rendered pork fat	452	464	338	97	134

OUTLOOK - LIVESTOCK

War Meat Board Created

Establishment of a War Meat Board to facilitate the handling of the Nation's meat supply was announced May 17 by the War Food Administration and the Office of Price Administration. Demand for meat currently is running ahead of supply. Other considerations which led to the establishment of the Board are as follows:

(1) Wide decentralization of the industry adds greatly to the complexities of adequate Government controls.

(2) There is a wide variation both by seasons and areas in the movement of livestock to market and there is a wide variation in demand by seasons and by areas.

(3) Meat is perishable and must be moved into consumption quickly, necessitating a flexible and active administrative control.

(4) Substitution of wartime regulations for normal market influences has brought a number of problems such as "black markets," "price squeeze" on slaughterers, difficulty in meeting purchasing requirements of the armed forces and lend-lease, and maldistribution among civilians.

Members of the Meat Board, who are to be named later, will consist of a chairman, the authorized representative of the War Food Administrator; a representative of the United States armed forces to be named by the Quartermaster General; a representative of the War Food Administration responsible for other governmental meat purchases; a representative of the Food Rationing Division of the Office of Price Administration; and a representative of the Price Division of the Office of Price Administration. In addition, top men to be selected from the meat industry will be named to the Board to cover the following divisions of the trade: Pork, beef, small stock, such as lamb, veal, and mutton; and canned meat.

Quarterly and yearly requirements for meat by the armed forces, civilians, and lend-lease will continue to be determined by the allocation authorities in Washington. The Meat Board will attempt to effect the allocation and distribution of the national meat supply among the three claimant groups, taking into account the total quantity of meat available from day to day and week to week. The Board is set up to effectuate this wartime meat management program through a continuing, close coordination of governmental meat controls, through direct cooperation of all Government agencies involved and all segments of the livestock and meat industry.

Outlook for Livestock Prices Still Favorable Despite Recent Declines

Despite the recent break in hog prices and some weakness in prices for cattle and lambs, the outlook for livestock prices during the remainder of the year remains favorable. Ceiling prices for most meat products were established by the Office of Price Administration in the spring of 1942. Although above-ceiling prices have prevailed to some extent in some markets, the general level of wholesale meat prices has been held reasonably well to about a constant level throughout the past 12 months. Advances in live animal prices which occurred after last spring were partly at the expense of slaughterers' processing margins. The recent announcement by the War Food Administration that action would be taken if necessary to bring live animal prices into a more normal relationship with wholesale ceilings for meats was made because of this situation. But because of the exceptionally strong wartime demands, livestock prices are expected to continue at or near the maximum levels permitted by the ceiling prices on meat products.

Hog-Corn Price Ratio Less Favorable Than a Year Earlier

Reflecting the recent advance in corn prices allowed by amendment to the price ceilings and the downward trend in hog prices, the hog-corn

price ratio has declined substantially below the very favorable level of a year ago. The ratio based upon Chicago average prices for the week ended May 15 was 13.6, compared with 16.5 in mid-May last year and the long-time average of about 11.6. Although the ratio is still above average, it is probably less favorable than indicated by the central market prices, because of the rather tight feed situation now and the probability that very little corn is available at country points for purchase by livestock feeders at ceiling prices.

To increase the availability of corn to livestock feeders, the War Food Administration in early May issued Food Distribution Order 52 requiring all producers with corn loans on the 1938, 1939, 1940, or 1941 crops — amounting to about 55 million bushels — to redeem their corn or deliver it to the Commodity Credit Corporation by July 1.

May 1 Range Livestock Conditions About Average

April weather conditions were favorable for new feed growth in most of the Western Range States except in the dry sections of the Southwest. During April there was a marked improvement in range feed in Idaho, Oregon, and Washington where range growth was retarded earlier in the year by cold weather. Calf crop prospects are reported to be good, except in limited areas where winter conditions were unfavorable for cattle. April weather was mostly favorable for late lambing except in the Northwest and parts of Arizona. Prospects for the late lamb crop are mostly good.

Condition of Early Lambs Improved During April

Weather and feed conditions during most of April were fairly favorable for development of the early lamb crop in most areas. As a result, early lambs made good gains in areas where growth in earlier months had been about normal and made some recovery in areas where weather and feed conditions had been poor. About May 1, early lambs were in average condition or better in all areas except the Far Northwestern States, where unfavorable weather and short feed in February and March had caused a material set-back.

Marketings of early lambs from California in April were rather light. As a result of the adjustment in California sheep slaughter quotas, the April slaughter in California was much larger than it was a year ago. The quotas there were adjusted to enable a larger kill of lambs to offset reduced supplies of other livestock. A part of this increase in slaughter included Arizona lambs. On the other hand, Eastern shipments were very small, about 25,000 head this April as against 167,000 last. Receipts of early lambs at Midwestern markets in April were very short. Present marketing prospects of early lambs from other areas will be somewhat delayed and, although a large slaughter in California will continue, supplies of new-crop lambs at Midwestern and Eastern markets in May and early June will be relatively small.

THE WOOL SITUATION

Prices Firm as Government Purchase Program Opens for 1943 Wool

Prices of domestic wool at Boston advanced in early April and then remained unchanged through the second week of May. Quoted prices of fine

staple combing territory wools remained unchanged at $1.18 to $1.21 a pound, scoured basis, in the 5 weeks ended May 15 and prices of 3/8 blood combing territory wools were unchanged at $1.03 to $1.06 a pound.

Contracting of domestic wool was active in the territory States and Texas during the first half of April. Demand was also good in the fleece wool States where medium grade wools were bought for use in blankets and overcoat materials recently ordered by the Army. Commercial estimates place the amount of 1943 clip contracted prior to the Government takeover at about 100 million pounds. Activity declined in most sections when the Government purchase program began on April 25. Many of the early contracted wools have been sold to manufacturers and top makers who are reported to be well covered for current needs.

The average price received by farmers for wool on April 15 was 41.2 cents a pound, 1.5 cents higher than a year earlier and the highest since March 1925. A well known pool of West Virginia wools was sold in mid-April at 56.8 cents a pound (grease basis) for clean medium grades. This was about 3 cents a pound higher than prices received for similar wools of the 1942 clip.

Selling Price for Domestic Wool Stabilized Under Government Program

The Government purchase program for the 1943 wool clip which began on April 25 will stabilize prices of domestic wool for growers and manufacturers. Prices of all wools purchased and sold by the Commodity Credit Corporation will be based on the Office of Price Administration schedule of ceiling prices, by grades, scoured basis. The wool will be appraised and the value will be determined on the basis of grade, length, shrink, type, and classification. Prices paid to growers will be the appraisal value, less freight and marketing charges. Deductions for marketing costs on grease wool will include the following:

1. A Commodity Credit Corporation service and appraisal charge of 1-1/8 cents per pound.

2. The customary handling charge of the dealer not to exceed 1-1/2 cents per pound on lots of 5,000 pounds or more, or 2-1/4 cents on lots of 1,000 pounds or less.

3. An additional handling charge for country services not to exceed 1-1/2 cents per pound.

4. A grading charge of not more than 3/4 cent per pound where wool is graded by handler.

The Commodity Credit Corporation will sell wool to manufacturers and topmakers at the Office of Price Administration ceiling prices for domestic wool. These prices, by grades, scoured basis, are shown in table 3. The descriptions can be matched quite closely with the grades of wool for which market quotations at Boston are available. It appears that recently quoted prices are at or close to the ceiling prices at which the Commodity Credit Corporation will sell wool purchased after April 25. It is unlikely that much wool will be available below ceiling levels for the balance of this season.

Table 3.- Domestic shorn wool: Prices per pound for wools sold by the Commodity Credit Corporation, clean basis, 1943

Item	Grease wool	Scoured wool	
		Unsorted	Sorted
Wools of Average to Good Character			
	Dollars	Dollars	Dollars
WORSTED TYPE - Grades and lengths			
Fine, 70s, 2 inches and longer	1.20	1.2474	1.2771
Fine, 64s and finer:			
2-1/2 inches and longer	1.18	1.2276	1.2573
1-1/2 to 2-1/2 inches	1.13	1.1781	1.2078
1/2 blood and fine, 60s, 64s:			
2-1/2 inches and longer	1.16	1.2078	1.2375
1-1/2 to 2-1/2 inches	1.11	1.1583	1.1880
1/2 blood 60s:			
3 inches and longer	1.15	1.1979	1.2276
1-1/2 to 3 inches	1.11	1.1583	1.1880
1/2 blood 58s:			
3 inches and longer	1.09	1.1286	1.1583
2 to 3 inches	1.06	1.0989	1.1286
3/8 blood 56s:			
3-1/2 inches and longer	1.04	1.0791	1.1088
2 to 3-1/2 inches	1.01	1.0494	1.0791
1/4 blood 50s:			
4 inches and longer	.96	.9900	1.0197
2 to 4 inches	.93	.9603	.9900
1/4 blood 48s:			
4 inches and longer	.93	.9603	.9900
2 to 4 inches	.91	.9405	.9702
Low 1/4 blood 46s:			
5 inches and longer	.92	.9405	.9702
3 to 5 inches	.90	.9207	.9504
Under 3 inches	.88	.9009	.9306
Common and braid 36s, 40s, 44s:			
5 inches and longer	.93	.9504	.9801
Under 5 inches	.88	.9009	.9306
WOOLEN TYPE - Grades and lengths			
Fine 64s, under 1-1/2 inches	1.08	1.1286	1.1583
1/2 blood, 60s, under 1-1/2 inches	1.05	1.0989	1.1286
1/2 blood, 58s, under 2 inches	1.01	1.0494	1.0791
3/8 blood, 56s, under 2 inches	.96	.9999	1.0296
1/4 blood, 50s, under 2 inches	.90	.9405	.9603
1/4 blood, 48s, under 2 inches	.89	.9306	.9504

Wools of Choice Character	Premium per pound
	Cents
(1) Grades 70s to 58s, inclusive	3
(2) Grades 56s to 48s, inclusive	5
(3) Grades 46s and coarser	8

Mill Consumption of Apparel Wool Again Sets New Record

Mill consumption of apparel wool averaged 12.7 million pounds a week (scoured basis) in March compared with the revised estimate of 12.3 million pounds for February and 10.8 million pounds in March last year. It was the largest weekly average consumption of any month of record. Consumption of domestic wool declined in March but the decline was more than offset by a 14 percent increase in consumption of foreign wool. Consumption of apparel wool on a greasy shorn and pulled basis totaled 289 million pounds in the first 3 months of 1943 compared with 262 million pounds in the corresponding months of 1942. More than 150 million pounds of domestic wool were used. In view of the increased quotas for civilian consumption which became effective in May, and the large quantity of wool fabrics recently ordered by the Army, consumption of apparel wool is expected to continue at a record level in the next several months.

March consumption of carpet wool averaged 737,000 pounds per week (scoured basis) about the same as in January but little more than half the March 1942 rate of consumption.

WORLD PRODUCTION AND CONTROL OF WOOL - 1942

Unlike some other vital war commodities, nearly all of the world's wool production is controlled at the present time by the United Nations. As shown in figure 2, areas recently dominated by the Axis Nations produced only 15 percent of the world's wool during the years 1934-38; the United Nations produced about 67 percent, and countries now neutral produced 18 percent. Production in the Southern Hemisphere is of particular importance in the world supply situation. This is the principal surplus-producing area. Australia, New Zealand, South Africa, and South America together produce about three-fifths of the world clip, and 90 percent of the wool produced in these countries is exported to deficit-producing areas of the Northern Hemisphere. Almost all of the Southern Hemisphere production is available to the United Nations because it is barred from the Axis by blockade. Australia, New Zealand, and South Africa now produce about 1.7 billion pounds a year and South American countries produce about 700 million pounds.

Although the Axis and the Axis-dominated areas produce only 15 percent of the world's wool, these countries in pre-war years accounted for close to half of the World consumption. With the exception of China, all of the Axis-dominated areas are deficit-producing, normally importing large quantities of wool from the Southern Hemisphere. The loss of North Africa will mean a further reduction in the meager supplies available to the Axis Nations. Such supplies are now limited to the production of Western and Central European countries and the invaded areas of Russia and China. In the years 1934-38 European countries, other than the United Kingdom and Russia, produced about 400 million pounds of wool annually and consumed 1,400 million pounds. Japan with a negligible production had an average consumption of 200 million pounds a year. Import requirements of continental European countries and Japan averaged about 1.2 billion pounds a year.

The United Nations are not using all of the available supplies of raw wool at this time. Consumption in the United States is now at the rate of 1.1 billion pounds a year. This is 400 to 500 million pounds greater than 1934-38 average consumption. Consumption in the United Kingdom is believed to have increased somewhat, but, in view of the strict rationing of civilian clothing and the acute labor shortage, it is not likely that the increase has been as great as in the United States. These two countries are now the only countries importing wool in considerable quantities. Consumption has also increased in some of the Southern Hemisphere countries and in Canada, but total consumption does not appear to be running high enough to absorb all of the wool formerly imported by Axis Nations. Hence there is some piling up of wool stocks in the surplus-producing countries in addition to more than 800 million pounds of Australian, New Zealand, and South African wools now held in the United States as a strategic reserve.

Most of this surplus wool is owned by the Governments of the United Kingdom and the United States. Soon after the war began the United Kingdom Government arranged to purchase the entire wool surplus of Australia and New Zealand for the duration of the war and one wool clip thereafter. The arrangement was extended to South African production in 1940. Wool needed for manufacture by the United Nations is resold at uniform prices set by the Wool Control. Stock pile wools stored in the United States are owned by the Governments of the United States and the United Kingdom and are not available for commercial use at this time. Stocks have accumulated to some extent in South American countries in the past two seasons. The United States Government is now purchasing the unsold balance of about 30 million pounds from the 1941-42 Uruguay clip and will also take a portion of the 1942-43 clip in that country if the wool remains unsold on June 30, 1943. No arrangements have been made for disposal of the Argentine surplus. Although there may be considerable stocks of privately owned wool in South America, most of the world's surplus stocks of wool at the close of the war will be owned by the Governments of the United Kingdom and the United States. This should be a stabilizing factor in the post-war adjustment period.

Wool production has increased during the war years. Declines in production in Europe and Asia have been more than offset by increases in other areas. Total world production in 1942 was estimated at 4.1 billion pounds (grease basis) compared with 3.9 billion pounds in 1938. The increase doubtless has been due in large part to the relatively high prices received for wool and the guarantee of a market for the entire production in British Empire countries. The greatest percentage increase in production is reported for Argentina where the 1942 clip was estimated to be 30 percent larger than that of 1938. Production in three British Empire countries (Australia, New Zealand, and South Africa) increased 10 percent and production in the United States increased 8 percent. Available data indicate a decline in production in Europe and Asia. Estimates of pre-war production and apparent consumption and current production estimates for specified countries are shown in table 4. This table also roughly indicates the pre-war level of wool production and consumption in areas held or dominated in 1942 by the Axis, the United Nations, and neutral countries. Data for the principal producing and consuming countries are shown graphically in figure 2.

Table 4.- Wool, grease basis: Pre-war (1934-38) production and apparent consumption and 1939-42 production, specified areas

Country and area	Apparent consumption 1/	Production 2/				
	1934-38 average	1934-38 average	1939	1940	1941	1942
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
North and Central America:						
United States	650.0	425.1	428.2	436.6	456.4	459.1
Canada	32.0	17.6	17.8	18.2	3/ 16.3	3/ 17.6
Others	8.0	11.6	11.2	11.2	11.2	11.2
Total	690.0	454.3	457.2	466.0	483.9	487.9
South America						
Argentina	59.0	370.4	443.0	474.0	494.0	518.0
Uruguay	4.0	117.8	133.9	139.0	117.0	122.0
Brazil	15.0	38.4	40.8	40.0	40.0	40.0
Chile	12.0	32.7	36.0	35.0	36.0	37.0
Peru	12.0	21.0	19.0	16.9	18.4	18.5
Others	(8.0)	14.2	14.0	14.0	14.0	14.0
Total	110.0	594.5	686.7	718.9	719.4	749.5
Europe, excluding Russia						
United Kingdom	661.0	108.1	111.8	N.A.	N.A.	N.A.
Ireland	3.0	17.1	17.4	17.0	16.2	"
France	424.0	37.9	38.7	33.0	30.0	"
Germany	322.0	34.9	42.4	43.2	(45.0)	"
Belgium	122.0	0.8	0.8	(0.8)	(0.8)	"
Italy	124.0	37.8	40.9	41.0	41.5	"
Others	414.0	286.8	304.4	N.A.	N.A.	"
Total	2,070.0	523.4	556.4	534.0	496.0	478.0
Asia, excluding China						
Turkey	33.0	54.3	74.2	74.0	68.0	N.A.
India	50.0	85.2	82.5	80.0	(80.0)	"
Japan	204.0	---	---	---	---	"
Others	(50.0)	74.5	84.3	80.0	72.0	"
Total	337.0	214.0	241.0	234.0	220.0	194.0
Africa						
British South Africa		238.6	246.2	270.5	260.0	N.A.
Morocco	)	34.0	40.0	45.0	50.0	"
Algeria	) (40.0)	44.8	(44.5)	(44.5)	(44.5)	"
Tunisia	)	5.5	4.6	5.5	6.0	"
Others		13.4	16.0	14.0	12.0	"
Total	(50.0)	336.3	351.3	379.5	372.5	378.0
Australia	4/ 98.0	995.3	1,127.7	1,115.0	1,122.0	N.A.
New Zealand	4/ 7.0	299.3	310.0	332.0	335.0	"
Russia	270.0	210.0	(300.0)	N.A.	N.A.	"
China	40.0	78.0	(70.0)	"	"	"
Estimated World Total	3,680.0	3,710.0	4,100.0	4,170.0	4,140.0	4,070.0
Areas held or dominated in 1942 by:						
Axis Nations	1,680.0	560.0				
United Nations	1,800.0	2,470.0				
Neutral Nations	200.0	680.0				

Continued -

Table 4.- Wool, grease basis: Pre-war (1934-38) production and apparent consumption and 1939-42 production, specified areas - Continued

Figures in parentheses interpolated or carried forward.
1/ Based on estimates of apparent supplies in "World Consumption of Wool, 1938," Imperial Economic Committee, London. Estimates are in "actual weight" but are mostly greasy.
2/ Based on estimates of the Office of Foreign Agricultural Relations. The estimates were compiled from official sources or reliable commercial sources or made on the basis of exports or sheep numbers and other available information.
3/ Revised basis. Not comparable with earlier years.
4/ Quantity purchased by manufacturers. Reported by Dalgety & Co.

Table 5.- Summary of price and supply control regulations for livestock, meats, and wool, April 15-May 15, 1943

Regulation	Principal provisions
Meat Price Controls: Wholesale	
Beef and Veal Carcasses and Wholesale Cuts:	
Am. 7 to R MPR 169 Issued 4/16/43 Effective 4/16/43	Postponed establishment of maximum prices on miscellaneous beef products (provided for in Am. 6) to April 22, 1943.
Am. 8 to R MPR 169 Issued 4/23/43 Effective 4/23/43	Provided for $1 per cwt. increase in prices of boneless beef (Army specifications) during period April 23, 1943-May 7, 1943. Cancelled carload discount with respect to deliveries of certain beef items to war procurement agencies.
Am. 9 to R MPR 169 Issued 4/28/43 Effective 4/28/43	Permitted the $1 per cwt. increase on price of boneless beef allowed in Am. 8 to apply to contracts made between April 23 and May 7, 1943 for deliveries through May 28, 1943.
Am. 10 to R MPR 169 Issued 5/8/43 Effective 5/8/43	Permitted the $1 per cwt. increase on price of boneless beef, on contracts made between April 23 and May 24, 1943 for deliveries to June 14, 1943.
Sausage:	
MPR 389 Issued 5/5/43 Effective 5/24/43	Established dollar-and-cents ceiling prices on certain sausage items at wholesale.
Horsemeat:	
Am. 1 to MPR 367 Issued 4/21/43 Effective as of 4/20/43	Postponed effective date of regulation to May 1, 1943 except that it became effective on April 14, 1943 with respect to sales to war procurement agencies.
Am. 2 to MPR 367 Issued 5/7/43 Effective 5/7/43 Effective 5/15/43 with respect to noninspected meat	Established maximum prices by zones for inspected and noninspected horsemeat.
Meat Price Controls: Retail	
Retail Prices for Pork Cuts:	
Am. 2 to MPR 336 Issued 4/21/43 Effective 4/27/43	Certified that cuts listed in the "OPA List of Ceiling Prices" were identical with those listed in the maximum price regulation for wholesale pork cuts.

Continued -

Table 5.- Summary of price and supply control regulations for livestock, meats, and wool, April 15-May 15, 1943 - Continued

Regulation	Principal provisions
Meat Price Controls: Retail - Continued	
Am. 3 to MPR 336 Issued 4/28/43 Effective 4/28/43	Increased maximum price of fresh picnic hams in the Middle Atlantic and Northeastern States and in the Rocky Mountain area.
Am. 4 to MPR 336 Issued 5/12/43 Effective 5/17/43	Reduced maximum retail prices for all parts of processed hams (bone-in) and processed picnic hams. Increased proportion of ham that may be sold in slices from one-fifth to one-third.
Retail Prices for Beef, Veal, Lamb, and Mutton Cuts: Am. 2 to MPR 355 Issued 5/12/43 Effective 5/17/43	Revised downward the maximum retail prices on many cuts of beef, veal, lamb, and mutton originally scheduled to take effect April 15, 1943.
Price Controls: Wool	
Wool and Wool Tops and Yarn: Am. 13 to RPS 58 Issued 5/6/43 Effective 5/12/43	Provided specific dollars-and-cents ceiling prices for certain carpet wools.
Supply Control Regulations: Livestock and Meat	
Restriction Order 1 - Transfer: Issued 4/24/43	Transferred administration of the order to the Director of Food Distribution.
Food Distribution Orders - Livestock and Meats: Am. 2 to FDO 27 Issued 4/30/43 Effective 4/30/43	Suspended during May all temporary beef quotas and temporary increases in beef quotas to butchers and local slaughterers.
Supply Control Regulations: Wool	
Food Distribution Orders - Wool: FDO 50 Issued 4/17/43 Effective 4/25/43	Provided that all domestic wools unsold by producers after April 24 must be sold to the Commodity Credit Corporation, with certain exceptions.

Livestock: Marketings and slaughter statistics, by species, April 1943, with comparisons

Item	Unit	Annual totals 1940	Annual totals 1941	Annual totals 1942	1942 Apr.	1943 Mar.	1943 Apr.
Cattle and calves -							
Number slaughtered under Federal inspection:							
Steers	Thous.	4,866	5,459	6,019	548	503	
Cows and heifers	"	4,431	4,992	5,854	370	391	
All cattle	"	9,756	10,946	12,347	956	923	796
Percentage cows and heifers are of total cattle	Pct.	45.9	45.6	47.4	38.7	42.4	
Calves	Thous.	5,359	5,461	5,760	502	410	365
Average live weight:							
Cattle	Lb.	940	961	954	974	980	
Calves	"	191	196	208	175	164	
Total dressed weight:							
Cattle	Mil.lb.	4,971	5,739	6,347	516	496	
Calves	"	568	599	667	50	38	
Shipments of feeder cattle and calves to seven Corn Belt States 1/	Thous.	2,036	1,896	2,052	126	119	118
Hogs -							
Number slaughtered under Federal inspection	"	50,398	46,520	53,897	4,196	4,661	4,463
Average live weight	Lb.	232	241	245	235	253	
Percentage packing sows are of all purchases at seven markets	Pct.	11	11	13	5	5	5
Total production under Federal inspection:							
Pork	Mil.lb.	6,614	6,345	7,562	568	704	
Lard 2/	"	1,527	1,526	1,724	127	136	
Average yield per hog:							
Pork	Lb.	131.6	136.8	140.6	135.6	151.3	
Lard 2/	"	30.4	32.9	32.1	30.3	29.3	
Storage stocks end of month:							
Pork	Mil.lb.	---	---	---	573	592	3/522
Lard 2/	"	---	---	---	126	128	3/148
Sheep and lambs -							
Number slaughtered under Federal inspection	Thous.	17,351	18,125	21,625	1,570	1,495	1,458
Average live weight	Lb.	86	88	89	94	95	
Total dressed weight	Mil.lb.	702	750	880	68	65	
Shipments of feeder lambs to seven Corn Belt States 1/	Thous.	3,330	3,203	3,527	128	174	130
Total dressed weight of livestock slaughtered under Federal inspection	Mil.lb.	14,951	15,523	17,821	1,376	1,490	

1/ Total shipments direct and from public stockyards to Ohio, Indiana, Michigan, Wisconsin, Minnesota, Iowa, and Nebraska.
2/ Including rendered pork fat.
3/ Preliminary.

Livestock prices per 100 pounds (except where noted), by species, April 1943, with comparisons

Item	1942 annual average	1931-40 average	Apr. 1941	Apr. 1942	1943 Feb.	1943 Mar.	1943 Apr.
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Cattle and calves -							
Beef steers sold out of first hands at Chicago:							
Choice and Prime	15.19	10.18	12.57	15.63	16.44	16.98	16.96
Good	13.90	8.80	11.07	13.83	15.53	15.92	15.91
Medium	12.22	7.65	9.68	12.03	14.11	14.61	14.70
Common	10.40	6.65	8.50	10.35	12.36	12.91	13.12
All grades	13.79	8.39	10.67	13.26	15.14	15.54	15.71
Good grade cows at Chicago	10.90	6.11	8.41	10.47	13.20	13.99	14.20
Vealers, Good and Choice at Chicago	14.48	7.77	11.24	14.08	16.40	16.56	14.78
Stocker and feeder steers at Kansas City	11.75	6.99	10.33	11.93	13.49	14.49	14.58
Average price paid by packers:							
All cattle	10.98	6.67	9.06	11.15	13.00	13.60	
Steers	12.61	1/	10.23	12.43	14.39	14.85	
Calves	12.07	7.00	9.97	12.53	13.84	14.43	
Hogs -							
Average market price at Chicago:							
Barrows and gilts	13.69	1/	8.44	14.20	15.38	15.61	15.15
Sows	13.73	1/	7.61	13.96	15.07	15.38	14.97
All purchases	13.70	6.87	8.37	14.18	15.35	15.59	15.13
Average price paid by packers	13.57	6.80	8.35	13.84	15.07	15.26	
Average price No. 3 Yellow corn at Chicago 2/	83.3	63.0	69.1	82.3	97.0	100.8	103.1
Hog-corn price ratio at Chicago 3/	16.4	11.4	12.1	17.2	15.8	15.5	14.7
Sheep and lambs -							
Slaughter lambs, Good and Choice grade at Chicago	13.89	9.11	10.89	12.63	15.90	16.16	15.92
Feeding lambs, Good and Choice grade at Omaha	12.02	7.73	---	11.24	14.26	14.91	14.42
Ewes, Good and Choice grade at Chicago	6.60	4.65	6.81	7.64	8.58	8.67	8.75
Average price paid by packers for sheep and lambs	11.80	8.36	10.02	11.78	14.41	15.08	
Index retail meat prices 4/	108.3	78.8	89.0	104.5	117.0	118.1	
Index income of industrial workers 5/	187	68.8	113.6	170.7	224.2	224.9	

1/ Not available.
2/ Cents per bushel.
3/ Number of bushels of corn equivalent in value to 100 pounds of live hogs.
4/ Bureau of Labor Statistics, converted to 1924-29 base.
5/ Bureau of Agricultural Economics, 1924-29 = 100. Revised.

Wool: Mill consumption and machine activity, United States, selected periods, 1941-43

Item	Aggregate				Weekly average		
			Jan.-Mar.		Mar.	Feb.	Mar.
	1941	1942 1/	1942	1943	1942 2/	1943 3/	1943 3/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Mill consumption 4/							
Grease basis 5/							
Apparel wool -							
Domestic	493,934	530,341	124,993	152,905	8,369	12,177	10,868
Foreign (duty paid)	473,751	526,185	136,967	136,026	11,543	10,650	12,154
Total	967,685	1,056,526	261,960	288,931	19,912	22,827	23,022
Carpet wool -							
Foreign (duty free)	199,453	59,687	26,231	11,754	1,867	996	1,015
Scoured basis							
Apparel wool	509,014	560,469	139,332	156,244	10,776	12,330	12,691
Carpet wool	138,917	43,100	18,167	8,557	1,311	736	737
	Weekly average in hours						
Machine activity							
Hours per available machine -							
Worsted combs	86.7	88.8	91.8	82.9	90.1	84.5	84.7
Bradford	74.9	75.8	79.1	69.1	77.3	70.5	70.5
French	110.6	113.7	116.1	110.2	115.1	110.9	112.0
Worsted spindles	61.0	58.9	55.5	60.1	51.8	61.4	61.3
Woolen spindles	63.8	74.5	72.1	78.2	72.1	79.8	81.6
In woolen mills	64.3	79.0	76.0	82.3	76.6	83.8	85.9
In knitting mills	50.0	57.7	52.0	61.6	50.8	63.8	63.3
In carpet mills	72.0	47.1	53.4	54.9	49.8	56.8	58.5
Worsted and woolen looms 6/ -							
On wool fabrics 7/	59.8	68.8	68.1	68.3	66.5	69.4	69.3
On cotton fabrics	8/	8/	8/	2.0	8/	2.2	2.5
Carpet and rug looms 6/	38.6	30.6	35.2	17.9	30.2	18.0	18.4
Carpet looms -							
On blankets	8/	8/	0.4	4.6	---	4.5	5.0
On cotton fabrics	8/	8/	2.4	36.5	3.9	37.4	37.7

Compiled from reports of the Bureau of the Census.

1/ 51 weeks ended December 26, not strictly comparable with 1941 total which is for 52 weeks.

2/ 5-week period.

3/ 4-week period.

4/ Apparel wool includes all domestic wool and all duty paid foreign wool. Carpet wool includes only foreign wool entered free of duty for the manufacture of floor coverings, press cloth, knit or felt boots or lumbermen's socks.

5/ Total of shorn and pulled wool. Pulled wool, grease basis, is in condition received from pulleries and is mostly washed.

6/ 1943 figures not strictly comparable with those of earlier years because of different method of reporting.

7/ Includes blended fabrics.

8/ Not available.

Prices per pound of wool and other textile raw materials in the United States, selected periods, 1940-43

Item	Average			1942	1943		
	1940	1941	1942	Apr.	Feb.	Mar.	Apr.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Boston market -							
Territory, scoured basis -							
64s, 70s, 80s (fine) staple combing	96.3	108.8	119.1	121.5	119.0	119.0	119.4
56s (3/8 blood) combing	79.7	91.2	102.6	104.3	103.5	103.5	104.3
46s (low 1/4 blood)	76.1	82.3	90.7	91.2	94.0	94.0	94.0
Bright fleece, greasy -							
64s, 70s, 80s (fine) delaine	38.0	43.1	47.2	47.9	47.0	47.0	47.0
56s (3/8 blood) combing	41.2	46.8	51.8	52.5	53.0	54.0	54.4
46s (low 1/4 blood)	41.0	46.5	49.8	51.0	51.5	51.5	51.5
Foreign wool - in bond at Boston 1/ -							
Sydney - scoured basis -							
64s, 70s, good combing	67.9	72.7	78.1	79.0	76.5	76.5	76.5
Cape - scoured basis -							
12 months, combing	62.9	70.9	75.6	76.5	75.5	75.5	75.5
Montevideo - grease basis -							
Merinos (60-64s)	31.2	40.4	43.0	43.0	39.5	40.7	41.5
1s (56s)	32.4	38.6	42.5	42.2	39.5	40.7	41.5
Prices received by farmers, grease basis, 15th of month	28.3	35.5	40.1	39.7	39.8	40.3	41.2
Average prices, scoured basis 2/ -							
10 grades, Boston	84.7	96.6	107.0	108.6	108.1	108.5	108.6
United States farm price	70.2	86.4	96.6 3/	98.2	98.6	99.9	102.1
Spread	14.5	10.2	10.4 3/	10.4	9.5	8.6	6.5
Textile fibers:							
Wool, territory fine staple 4/	96.3	108.8	119.1	121.5	119.0	119.0	119.4
Cotton, 15/16" Middling 5/	10.2	13.9	19.3	20.2	20.7	22.0	21.2
Rayon yarn, 150 denier 6/	53.0	53.6	55.0	55.0	55.0	55.0	55.0
Rayon staple fiber 7/ -							
Viscose 1-1/2 denier	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Acetate 5 denier	43.0	43.0	43.0	43.0	43.0	43.0	43.0

Compiled from reports of the Food Distribution Administration except as otherwise noted.

1/ Before payment of duty. Compiled from the Boston Commercial Bulletin.

2/ For basis of computations see February 1943 issue of The Livestock and Wool Situation.

3/ Revised.

4/ Scoured basis, Boston market.

5/ Average at 10 markets.

6/ Domestic yarn, first quality, Bureau of Labor Statistics.

7/ F.o.b. producing plants, Bureau of Labor Statistics.

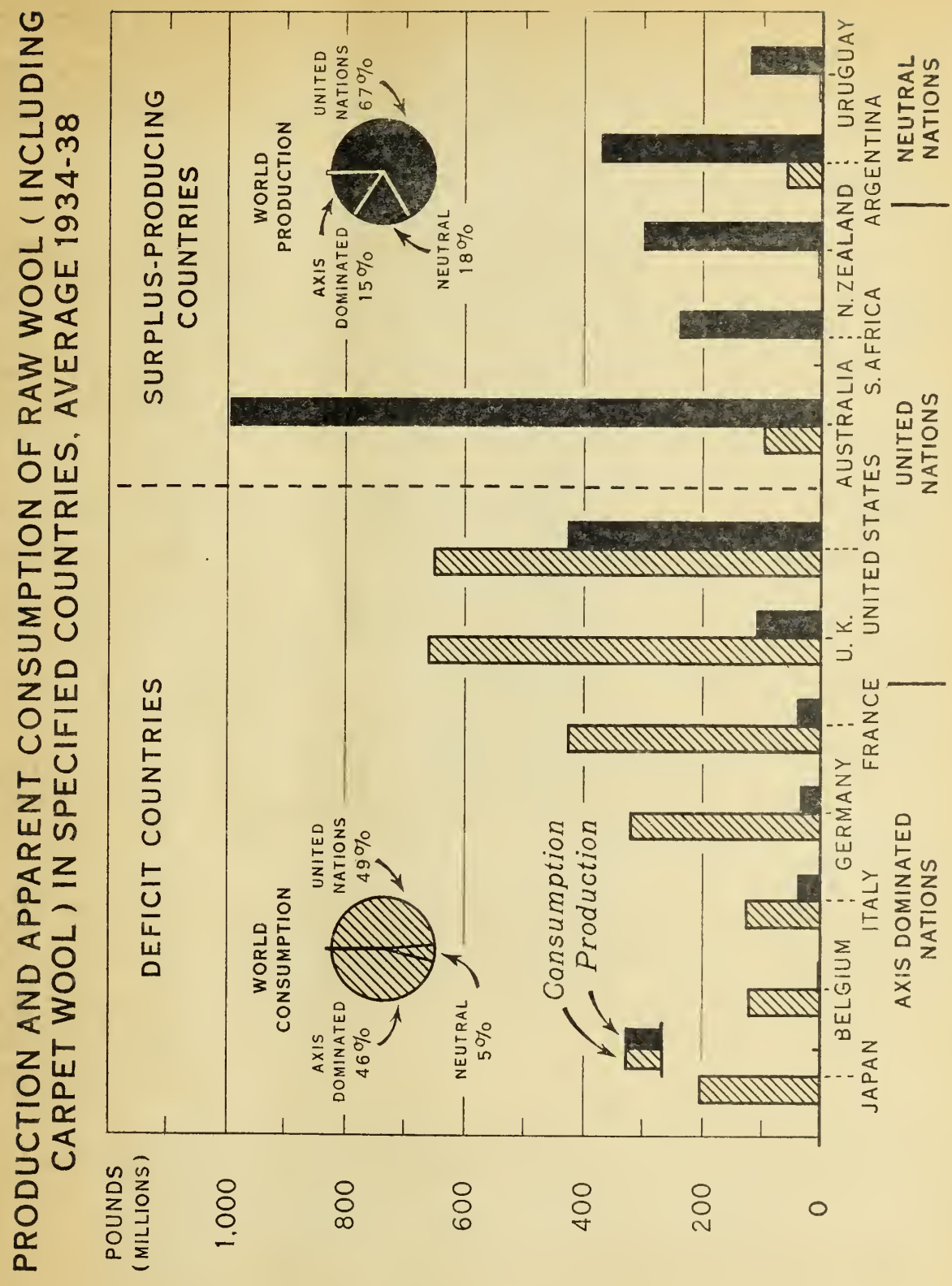

FIGURE 2

Figure 2.- Nearly all of the world's wool production is controlled at the present time by the United Nations. In the years 1934-38 areas recently dominated by the Axis Nations produced only 15 percent of the world's wool, but these countries accounted for almost half of the world consumption.